

# Star BUSINESS

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## Citibank arranges funding against Brac receivables securitisation

Citibank NA along with FMO of the Netherlands, Pubali Bank Limited and The City Bank Limited yesterday invested Tk 1.035 billion (US\$15 million) in bonds issued by the special purpose vehicle (SPV) of Brac, formed for securitisation of its micro-credit receivables, says a press release.

This groundbreaking transaction, denominated in Bangladesh taka, will provide an aggregate of Tk12.6 billion (US\$180 million equivalent) of financing for Brac over a period of six years. Under the programme, taka equivalent to US\$15 million is being disbursed every six months to Brac, with a maturity of one year.

FMO has directly purchased one-third of the certificates. Citibank NA has purchased another one-third of the certificates, backed by a guarantee of FMO and counter guaranteed by KfW. Additionally, Citibank NA Bangladesh, with The City Bank Limited and Pubali Bank Limited have purchased the remaining one-third of the certificates.

Citibank NA Bangladesh (Citigroup), FMO (Netherlands), and KfW (Germany) are the co-lead arrangers. Citibank NA is also the account bank in the transaction, with Eastern Bank Limited as the trustee and RSA Capital being lead arranger for this transaction.

## Village Phones cross 250,000 subscriber mark

The internationally acclaimed Village Phone Program, a joint initiative of GrameenPhone Ltd and Grameen Telecom to provide universal access to mobile phone services in rural areas, has recently crossed the 250,000 subscriber mark.

The village phone programme started on March 26, 1997, the same day the GrameenPhone service was launched. Presently there are more than 253,000 Village Phones in operation in over 50,000 villages across the country, says a press release.

The programme is run by Grameen Telecom, a not-for-profit company, in cooperation with Grameen Bank, the internationally recognised pioneer of the micro-credit movement.

"The Village Phone Program of Grameen Telecom, which is mandated to promote development of information and communication-based technologies in rural areas, has ushered in a quiet revolution in Bangladesh. Almost one out of ten people in Bangladesh now have a mobile phone in their hands, something that was a dream even ten years ago," said Khalid Shams, the CEO of Grameen Telecom.

The Village Phones function as an owner-operated pay phone with full connectivity including international call facility. Typically, a poor village woman borrower of Grameen Bank buys a subscription and handset with a loan from the bank and then retails the telephone services in the village.

## WTO BRAZIL MEET

# Tokyo to support Dhaka's duty-free access demand

UNB, Dhaka

Japan has assured Bangladesh of its support in getting duty-free access of its products to the global market in the coming WTO meeting to be held in Brazil this month.

Japanese Ambassador Masayuki Inoue made the assurance when he met Commerce Minister Hafiz Uddin Ahmed at his Secretariat office yesterday.

The envoy told the minister that his country would support

Bangladesh in principle in the WTO talks.

Japan is also interested to extend its support in taking effective measures for checking river erosion in Bangladesh, the envoy said.

The commerce minister requested the diplomat to take steps to import more products from Bangladesh to reduce the existing trade gap between the two countries. "Japan can import jute, jute goods, leather, leather goods, readymade garments and tea," he

said.

Hafiz Uddin Ahmed called upon the Japanese government to sign bilateral agreements with Bangladesh to bolster trade and business relations.

First Secretary of Japan Embassy Kaji Nitta was also present at the meeting.

In FY 2004-05, Bangladesh exported goods worth US\$ 122.41 million to Japan against the import of US\$ 547.15 million.

## Italy can help local fashion design industry grow: Envoy

Italian fashion show tonight

STAR BUSINESS REPORT

Italy, being the superpower in fashion, can help Bangladesh's fashion design industry grow, Italian Ambassador in Dhaka Pietro Ballero said yesterday.

Despite all the problems Bangladesh is doing well in the industry, the envoy added while addressing a press conference at Hotel Radisson on the eve an Italian fashion show to be held tonight at the hotel.

JPR Events in association with the Italian embassy in Dhaka is organising the fashion night that will feature top Italian brands and international fashion shows along with designer menu created by celebrity chef Steve Szabo of Palazzo Versace Hotel of Australia.

The world class Versace, Armani, Dolce & Gabbana, GianFranco Ferre, Prada, Moschino, Diesel brand products will be put on display.

Bangladesh Design Council, a platform of the weavers, printers, graphic artists, embroiderers, machinists, pattern-cutters, pottery makers, leatherwear and accessories developers and jewellers, will also be launched during the fashion night.

The council will present the potential of the country in international exhibitions, said Nasrine R Karim, chairperson of JPR Events.

Radisson Hotel, Mercedes Benz, Acer, Emirates, GrameenPhone and Standard Chartered Bank are sponsoring the fashion night.

## Ethiad launches guest reward programme

STAR BUSINESS REPORT

Ethiad Airways, the national carrier of the United Arab Emirates, officially launched yesterday its guest reward programme in Bangladesh in a bid to provide instant reward to the passengers of the airline.

Under the programme, Ethiad Airways offers a wide range of flight-related and non-flight rewards to a passenger since the date of his or her procurement.

The passengers can get benefits ranging from hotel accommodation and car rental to retail discount from some selected shops through accumulating miles. They also can get free ticket as one of the highest benefits of the programme.

"To get the benefits, passengers of Ethiad Airlines have to be a member of the programme. Passengers can collect membership form either from online ([www.ethiadguest.com](http://www.ethiadguest.com)) or from any of our offices," said Jill R Errington, area manager of Ethiad Airways, Bangladesh, while addressing a press conference at a hotel in Dhaka.

Evon, Ethiad guest champion and Nisha Tasnim Shaikh, sales support executive of the airlines, also spoke at the press meet.

There are three cards the airlines offers to the passengers against accumulating miles, the journalists were informed.

When a passenger join the programme, initially a personalised Ethiad guest card will be sent to the passenger. Besides, when a passenger accumulates 25,000 miles by travelling Ethiad Airways, he or she can upgrade the membership from Ethiad Guest card to Ethiad Guest Silver card.

On the other hand, for being a holder of Ethiad Gold Guest card, the premium level of membership, passengers have to accumulate 50,000 miles.

"At the moment, when passengers earn first Ethiad Guest Mile, he or she takes off on a rewarding journey where each mile takes you further than in any other airline loyalty programme," said Errington.

"Our one-mile redemption feature ensures that every mile in your account has the potential to create a new opportunity for you. Because we don't set any limits on your miles, you have complete control over the way you spend your Ethiad Guest Miles", She said, adding that the passengers need not to wait until miles add up to any pre-defined figure to get the benefits.

The airways currently flies five times per week from Dhaka to Abu Dhabi.



PHOTO: STAR  
BUP Chairman Dr Kazi Kholiqzaman Ahmad speaks at a roundtable on 'Bangladesh Electricity Sector: Reality and Impact' at the National Press Club in Dhaka yesterday.

# Cross border trade of power can help mitigate crisis

## BUP roundtable told

STAR BUSINESS REPORT

Speakers at a roundtable yesterday observed that cross border power trade can help mitigate the power shortage the people of country's bordering areas amongst the whole population are now faced with.

They said if the government allows the farmers of the bordering areas to avail of such a cross border trade, it would meet their demand for power to irrigate the lands for aman cultivation, which is now facing a severe crisis for want of seasonal rains, as India has additional supply of power in the north-eastern side.

At the roundtable on 'Bangladesh Electricity Sector: Reality and Impact' organised by Bangladesh Unnayan Parishad (BUP) at National Press Club in Dhaka, the speakers also urged the government to add at least 500 megawatt power more to the national grid every year to find out a permanent solution to the persisting power crisis.

"The government puts its atten-

tion to building power plants only when the country faces huge power crisis, but if 500 MW of power is added on annual basis we can avert the situation," Bangladesh Unnayan Parishad (BUP) Chairman Quazi Kholiqzaman Ahmad, also the president of Bangladesh Economic Association, said in his presidential speech.

"We see the government wants to solve the electricity problem by introducing captive power plant that the small and medium industry owners cannot afford. Therefore, the government should concentrate more on generating more power," he suggested.

"For the shortfall in rain, the aman cultivation will require irrigation at the planting stage, so for more irrigation this year the agriculture sector will be in need of more power, former secretary Dr Zahurul Karim said, forecasting on a possible crisis in agriculture sector originating from power shortage.

He also stressed the need for introducing cross border power trade, which, he said, may solve the

problem to a great extent.

Mir Raziuddin Haroon, BUP senior energy expert, also a former high official of Power Development Board, presented the theme paper at the programme.

He suggested turning the oil burn power plants into gas or coal fired ones to save money.

Three power plants with the capacity of generating 396 MW in Khulna and Bheramara area burned liquid fuel worth Tk 6339 million in 2005, he said, citing official statistics.

He said 7.3 percent of the total power generation consume 33 percent of the total expenditure on fuel in the power sector.

Power sector could save Tk 5239 million in 2005 if the three plants were gas-fired ones, he observed, lamenting that the Tk 13139 project for setting up a gas pipeline between Ishwardi and Khulna has been lying abandoned for the last few years.



Jill R Errington, area manager of Etihad Airways, speaks at a press conference at a city hotel yesterday to mark launching of the airline's guest reward programme.

# Farmers get lower prices of products, admits Saifur

UNB, Dhaka

Finance Minister M Saifur Rahman yesterday admitted that the country's farmers are getting lower prices of their farm products compared to the selling prices in urban areas and that is the common phenomenon worldwide.

"This is quite normal that the prices of farm products would be higher in urban areas than in rural areas. It's the normal phenomenon worldwide," he said addressing the inaugural session of a 3-day National Seed Conference and Fair-2006 at Bangladesh China Friendship Conference Center.

The finance minister said as per the standard system, farmers should get 40-45 per cent of the total selling prices of farm products in urban areas.

In the USA, Saifur said, farmers get 45 percent of the total prices for their produce.

He, however, said the farmers in Bangladesh these days get better prices for their produce and they

are increasingly willing to produce more.

The minister criticised the urban people for their all-consuming attitude. "They're getting everything, especially the agricultural products, almost free. We've to be honest and sincere to give better prices to the farmers for their produce as farm products are the base of rural livelihood," he said.

Saifur emphasised the optimum use of arable lands as more and more lands are being occupied for the construction of roads, homes and other non-productive activities, and asked the Ministry of Agriculture to take initiatives for the formulation of a policy in this regard. "Setting up of factories must be vertical instead of horizontal ones," he added.

Termining agriculture and rural development as cornerstone of Bangladesh's progress, he said the productivity of land should be increased.

He urged the Agriculture Ministry and its concerned departments to increase their supports to the farm-

ers to cope with the fast-changing situation in agriculture.

Saifur also made an assurance that the projects of the Agriculture Ministry would be approved as quickly as possible for the welfare of the country and the people.

Speaking as special guest, Agriculture Minister MK Anwar gave a resume of various development programmes of the present government, particularly those being implemented under his ministry.

East West Seed Chairman Abdul Awal Mintoo delivered his welcome address while Director General of the Seed Wing of Agriculture Ministry Anwar Farooq presented the keynote paper at the inaugural seminar.

Later, the finance minister formally inaugurated the National Seed Conference and Fair-2006 by cutting a ribbon.

# India lifts duties on wheat imports

OUR CORRESPONDENT, New Delhi

Indian government has thrown open the door for private sector wheat imports withdrawing the five per cent customs duty on the commodity in a bid to bring down rising prices of wheat in domestic market.

Agriculture and Food Minister Sharad Pawar told reporters here on Monday that private traders can import wheat at zero per cent duty instead of existing five per cent duty. With an eye on increasing domestic supply of wheat, the concession for private traders will be on for next four to five months, he added.

So far, state-owned State Trading Corporation had been importing wheat free of duty.

However, wheat importers feel the government's decision to allow private traders to import duty-free

wheat would help cool domestic prices only for a short term as wheat prices in international market has been rising and now stands at 220 dollars per tonne.

Besides, the decision might have come a little late as most Indian importers have already contracted their deals. Till August-end, private traders have already struck deals for import of estimated 500,000 tonnes of wheat for biscuit, bread, roller mills and other products.

International wheat prices have shown an upward swing ever since India announced unveiled its import plan for the first time in six years, given the tight supply position and the fact that India is a key player in global wheat market, wheat importers said.

## Chairman of Rupali Ins re-elected



Mostafa Golam Quddus has been re-elected chairman of Rupali Insurance Company Ltd, says a press release.

A former president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Quddus is the managing director and chairman of Dragon Group, a sweater manufacturing company.



PHOTO: PRIME BANK  
Imam Anwar Hossain, chairman of Prime Bank Ltd, inaugurates a new branch of the bank at SBC Tower at Dilkusha in Dhaka on Saturday. Former chairman Md Nadir Khan, Director Shaheda Pervin Trisha, former director Firoja Amin, Managing Director M Shahjahan Bhuiyan, Deputy Managing Director Mahubul Alam and SBC Tower Branch Manager Quazi ASM Anisul Kabir are also seen.